

House File 2458 - Introduced

HOUSE FILE 2458

BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HF 2389)

(SUCCESSOR TO HSB 595)

A BILL FOR

1 An Act establishing a rural Iowa primary care loan repayment
2 program and trust fund to be administered by the college
3 student aid commission.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 261.115 Rural Iowa primary care
2 loan repayment program — fund — appropriations.

3 1. *Program established.* A rural Iowa primary care loan
4 repayment program is established to be administered by the
5 college student aid commission for purposes of providing loan
6 repayments for medical students who agree to practice as
7 physicians in service commitment areas for five years and meet
8 the requirements of this section.

9 2. *Eligibility.* An individual is eligible to apply to enter
10 into a program agreement with the commission if the individual
11 is enrolled full-time in and receives a recommendation
12 from the state university of Iowa college of medicine or
13 Des Moines university — osteopathic medical center in a
14 curriculum leading to a doctor of medicine degree or a doctor
15 of osteopathy degree.

16 3. *Program agreements.* A program agreement shall be
17 entered into by an eligible student and the commission when
18 the eligible student begins the curriculum leading to a doctor
19 of medicine or osteopathy degree. Under the agreement, to
20 receive loan repayments pursuant to subsection 5, an eligible
21 student shall agree to and shall fulfill all of the following
22 requirements:

23 a. Receive a doctor of medicine or osteopathy degree from
24 an eligible university and apply for, enter, and complete a
25 residency program approved by the commission.

26 b. Apply for and obtain a license to practice medicine and
27 surgery or osteopathic medicine and surgery in this state.

28 c. Complete their residency program requirement with an
29 Iowa-based residency program.

30 d. Within nine months of graduating from their residency
31 program and receiving a permanent license in accordance with
32 paragraph "b", engage in the full-time practice of medicine
33 and surgery or osteopathic medicine and surgery specializing
34 in family medicine, pediatrics, psychiatry, internal medicine,
35 or general surgery for a period of sixty consecutive months

1 in the service commitment area specified under subsection 6,
2 unless the loan repayment recipient receives a waiver from the
3 commission to complete the months of practice required under
4 the agreement in another service commitment area pursuant to
5 subsection 6.

6 4. *Priority to Iowa residents.* The commission shall give
7 priority to eligible students who are residents of Iowa upon
8 enrolling in the university.

9 5. *Loan repayment amounts.*

10 a. The amount of loan repayment an eligible student who
11 enters into an agreement pursuant to subsection 3 shall receive
12 upon fulfilling the requirements of subsection 3 shall be not
13 more than fifty thousand dollars annually for an eligible loan.
14 Payments under this section are limited to a four-year period
15 and shall not exceed a total of two hundred thousand dollars.

16 b. The commission shall not enter into more than twenty
17 program agreements annually. Fifty percent of the agreements
18 shall be entered into by students attending each university
19 described in subsection 2. However, if there are fewer than
20 ten eligible student applicants at one university, eligible
21 student applicants enrolled in the other university may be
22 awarded the remaining agreements.

23 6. *Selection of service commitment area.* A loan repayment
24 recipient shall notify the commission of the recipient's
25 service commitment area prior to beginning practice in the area
26 in accordance with subsection 3, paragraph "d". The commission
27 may waive the requirement that the loan repayment recipient
28 practice in the same service commitment area for all sixty
29 months.

30 7. *Rules for additional loan repayment.* The commission
31 shall adopt rules to provide, in addition to loan repayment
32 provided to eligible students pursuant to this section and
33 subject to the availability of surplus funds, loan repayment
34 to a physician who received a doctor of medicine or osteopathy
35 degree from an eligible university as provided in subsection

1 2, obtained a license to practice medicine and surgery or
2 osteopathic medicine and surgery in this state, completed the
3 physician's residency program requirement with an Iowa-based
4 residency program, and is engaged in the full-time practice of
5 medicine and surgery or osteopathic medicine and surgery as
6 specified in subsection 3, paragraph "d".

7 8. *Part-time practice — agreement amended.* A person who
8 entered an agreement pursuant to subsection 3 may apply to the
9 commission to amend the agreement to allow the person to engage
10 in less than the full-time practice specified in the agreement
11 and under subsection 3, paragraph "d". If the commission
12 determines exceptional circumstances exist, the commission and
13 the person may consent to amend the agreement under which the
14 person shall engage in less than full-time practice of medicine
15 and surgery or osteopathic medicine and surgery specializing in
16 family medicine, pediatrics, psychiatry, internal medicine, or
17 general surgery in a service commitment area for an extended
18 period of part-time practice determined by the commission to
19 be proportional to the amount of full-time practice remaining
20 under the original agreement.

21 9. *Postponement and satisfaction of service obligation.*

22 a. The obligation to engage in practice in accordance with
23 subsection 3 shall be postponed for the following purposes:

24 (1) Active duty status in the armed forces, the armed forces
25 military reserve, or the national guard.

26 (2) Service in volunteers in service to America.

27 (3) Service in the federal peace corps.

28 (4) A period of service commitment to the United States
29 public health service commissioned corps.

30 (5) A period of religious missionary work conducted by an
31 organization exempt from federal income taxation pursuant to
32 section 501(c)(3) of the Internal Revenue Code.

33 (6) Any period of temporary medical incapacity during which
34 the person obligated is unable, due to a medical condition, to
35 engage in full-time practice as required under subsection 3,

1 paragraph "d".

2 **b.** Except for a postponement under paragraph "a",
3 subparagraph (6), an obligation to engage in practice under an
4 agreement pursuant to subsection 3, shall not be postponed for
5 more than two years from the time the full-time practice was to
6 have commenced under the agreement.

7 **c.** An obligation to engage in full-time practice under
8 an agreement entered into pursuant to subsection 3 shall be
9 considered satisfied when any of the following conditions are
10 met:

11 (1) The terms of the agreement are completed.

12 (2) The person who entered into the agreement dies.

13 (3) The person who entered into the agreement, due to
14 a permanent disability, is unable to practice medicine and
15 surgery or osteopathic medicine and surgery.

16 10. *Trust fund established.* A rural Iowa primary care
17 trust fund is created in the state treasury as a separate fund
18 under the control of the commission. The commission shall
19 remit all repayments made pursuant to this section to the rural
20 Iowa primary care trust fund. All moneys deposited or paid
21 into the trust fund are appropriated and made available to the
22 commission to be used for meeting the requirements of this
23 section. Moneys in the fund up to the total amount that an
24 eligible student may receive for an eligible loan in accordance
25 with this section and upon fulfilling the requirements of
26 subsection 3, shall be considered encumbered for the duration
27 of the agreement entered into pursuant to subsection 3.
28 Notwithstanding section 8.33, any balance in the fund on June
29 30 of each fiscal year shall not revert to the general fund of
30 the state, but shall be available for purposes of this section
31 in subsequent fiscal years.

32 11. *Definitions.* For purposes of this section:

33 **a.** "Eligible loan" means the physician's total federally
34 guaranteed Stafford loan amount under the federal family
35 education loan program or the federal direct loan program,

1 including principal and interest.

2 *b. "Eligible university"* means either the state university
3 of Iowa college of medicine or Des Moines university —
4 osteopathic medical center.

5 c. "Service commitment area" means a city in Iowa with a
6 population of less than twenty-six thousand that is located
7 more than twenty miles from a city with a population of fifty
8 thousand or more and which provides a twenty thousand dollar
9 contribution for deposit in the rural Iowa primary care trust
10 fund for each physician in the community who is participating
11 in the loan repayment program.

EXPLANATION

13 This bill establishes a rural Iowa primary care loan
14 repayment program to be administered by the college student
15 aid commission for purposes of providing loan repayment
16 to medical students who agree to practice as physicians in
17 service commitment areas for five years. A rural Iowa primary
18 care trust fund is also established under the control of the
19 commission.

20 An individual is eligible to apply to the commission to
21 enter into a program agreement with the commission if the
22 individual is enrolled in the university of Iowa college of
23 medicine or Des Moines university — osteopathic medical center
24 in a curriculum leading to a doctor of medicine or osteopathy
25 degree.

26 Under the agreement, the eligible student will receive
27 annually up to \$50,000 of loan repayment for an eligible
28 loan if the eligible student receives a doctor of medicine
29 or osteopathy degree; applies for, enters, and completes a
30 residency program approved by the commission; applies for
31 and obtains a license to practice medicine and surgery or
32 osteopathic medicine and surgery in this state; and, within
33 nine months of receiving a license, engages in the full-time
34 practice of medicine and surgery, specializing in family
35 medicine, pediatrics, psychiatry, internal medicine, or general

1 surgery for 60 consecutive months in the service commitment
2 area, unless the loan repayment recipient receives a waiver
3 from the commission to complete the months of practice required
4 under the agreement in another service commitment area.
5 Payments are limited to a four-year period and shall not exceed
6 \$200,000.

7 A service commitment area is defined to mean a city in Iowa
8 with a population of less than 26,000 that is located more than
9 20 miles from a city with a population of 50,000 or more and
10 which provides a \$20,000 contribution for deposit in the fund
11 for each physician in the community who is participating in the
12 program.

13 The bill defines "eligible loan" to mean a federally
14 guaranteed Stafford loan.

15 The commission shall give priority to eligible students who
16 are residents of Iowa upon enrolling in the university.

17 Not more than 20 program agreements may be entered into
18 annually. Fifty percent of the agreements shall be entered
19 into with students attending each university, though if
20 there are fewer than 10 eligible student applicants at one
21 university, eligible student applicants enrolled in the other
22 university may be awarded the remaining agreements. Moneys
23 in the trust fund up to the total amount that a student may
24 receive after fulfilling the requirements of the agreement
25 shall be considered encumbered for the duration of the
26 agreement.

27 A person may apply to the commission to amend the agreement
28 to allow the person to engage in less than full-time practice.
29 If the commission determines exceptional circumstances
30 exist, the commission and the person may consent to amend
31 the agreement to provide for an extended period of part-time
32 practice determined by the commission to be proportional to
33 the amount of full-time practice remaining under the original
34 agreement.

35 The obligation shall be considered satisfied when the terms

1 of the agreement are completed, the person dies, or the person,
2 due to a permanent disability, is unable to practice medicine
3 and surgery.

4 The bill directs the commission to adopt rules to provide,
5 subject to the availability of surplus funds, loan repayment
6 to a physician who did not enter into an agreement as a medical
7 student but who meets the other relevant requirements of the
8 program.